

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1813 - SB 2077

March 13, 2016

SUMMARY OF BILL: Expands the definition of “person” under the *Dental Service Plan Law of 1961* to include an employer and substitutes “a common law trust or corporation” for an “entity or a trust.” Effectively prohibits an employer or entity from: providing accident, health, or disability insurance with respect to a dental service plan; establishing, maintaining or operating a dental service plan; and soliciting subscribers or entering into contracts with respect to a dental service plan.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- This proposed legislation will not directly affect any plan administered by TennCare or the Division of Benefits Administration, as neither agency contracts with a dental benefit manager who is licensed as a non-profit dental service corporation.
- Non-profit dental service corporations may utilize cost-sharing, or charge plan subscribers based on a sliding fee scale based on income, subject to the individual contract. No premium tax is applicable to such payments; therefore, this proposed legislation will not result in any significant impact to premium tax collections.
- No significant impact to state or local government.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

- Prohibiting employers and entities from establishing, maintaining or operating a dental service plan will prevent employers and entities from establishing contracts directly with dental service providers for dental health services for employees and their dependents.
- This legislation will limit employers and entities to entering into contracts with insurers for coverage of dental services for its employees and their dependents.
- This proposed legislation is not estimated to result in any significant decrease in the number of employers and entities, that in the absence of this bill would establish,

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maintain, and operate a dental service plans most employers and entities are assumed to currently offer dental services through employer-provided insurance.

- To the extent known, it is reasonably estimated that non-profit dental service corporations, insurers, and dentists in this state will not experience a significant impact on business revenue or business expenditures as a result of this legislation.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jdb